



**Testimony of  
Bonnie Stewart  
VP, Government & Public Affairs & General Counsel  
Connecticut Business & Industry Association  
Before the  
Finance, Revenue & Bonding Committee  
Hartford, CT  
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Good afternoon. My name is Bonnie Stewart and I am Vice President of Government and Public Affairs & General Counsel for the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 job creators throughout the state of Connecticut ranging from one-person businesses to large corporations. The majority of our members have fewer than 25 employees.

I appreciate the opportunity to comment on **SB 448** An Act Concerning State Tax Policy, which makes numerous modifications to Connecticut's tax statutes, including moving the state to market based sourcing.

CBIA strongly supports Connecticut adopting market based sourcing for both C corporations and pass-through entities. The market-based sourcing of receipts is the trend across the country and, if adopted here, would help make Connecticut more competitive. This is because market based sourcing:

*Creates a level playing field by treating everyone who uses Connecticut as a market place the same* - Whether you are an in-state or out-of-state company receipts are assigned to the state where the customer is, where the benefit is received.

*Reduces the likelihood of double taxation that hits Connecticut companies now* - All of our surrounding states are market based source states, so Connecticut companies currently pay taxes on services performed here and then again to the state where the recipient of the services is located. That is not the case for companies located in New York, Massachusetts or Rhode Island as they are currently all market based sourcing states. .

We would request one modification to the market based sourcing proposal contained in SB 448. As written, C corporations would move to market based sourcing in 2016 and pass-through entities would do so in 2017. I urge you to have both C corporations and pass-through entities use the same January 1, 2016 effective date.

Market based sourcing is more equitable than the state's current sourcing scheme and we urge its adoption.

Thank you for the opportunity to testify on **SB 446**.

Please feel free to contact me with any questions or concerns on this, or any other matter, at [bonnie.stewart@cbia.com](mailto:bonnie.stewart@cbia.com) or 860.244.1900.b